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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

| Office Action Summary | Application No. | Applicant(s) | |
|---|---|---|---|
| | 10/777,044 | TADAYON ET AL. | |
| | Examiner | Art Unit | |
| | JAMIE KUCAB | 3621 | |

*-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --*

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

1)☒ Responsive to communication(s) filed on *25 February 2010*.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

4)☒ Claim(s) *1,3-18,22-37 and 40-57* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1, 3-18, 22-37, and 40-57* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

**Application Papers**

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

## DETAILED ACTION

### *Acknowledgements*

1. Applicant's response filed February 25, 2010 is acknowledged.

2. Claims 1, 3-18, 22-37, and 40-57 are pending in the application.

3. Claims 1, 3-18, 22-37, and 40-57 are examined below.

4. This Office action is given Paper No. 20100506 for reference purposes only.

### *Claim Rejections - 35 USC § 112, First Paragraph*

5. The following is a quotation of the first paragraph of 35 U.S.C. 112:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

6. Claims 1, 3-18, 22-37, and 40-57 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claims contain subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventors, at the time the application was filed, had possession of the claimed invention. The following limitations were not previously disclosed:

a. The three recitations of "using a processor" (claim 1) if interpreted as three different processors. Applicant does not have support for such an arrangement in the specification.

b. "a repository for receiving the digital content" (claim 37).

c. The three recitations of "a processor" (claim 18) if interpreted as three different processors. Applicant does not have support for such an arrangement in the specification.

d. The three recitations of "a processor" (claim 23) if interpreted as three different processors. Applicant does not have support for such an arrangement in the specification.

e. "a repository for enforcing use of the digital content …" (claim 37). Although Applicant's system is described as "for use in a system having at least one repository" (Abstract, [0010]) and that the usage rights are "enforceable by a repository" ([0010]), there is no description of a repository as an element of Applicant's invention.

f. "wherein access to the digital content is controlled by the repository through enforcement of the usage right assigned to the digital work." (claims 1 and 18).

### *Claim Rejections - 35 USC § 112 2nd Paragraph*

7. The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

8. Claims 1, 3-18, 22-37, and 40-57 are rejected under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter that Applicant regards as the invention.

9. Regarding claim 1, Applicant's three recitations of "using a processor" would have been unclear to a person having ordinary skill in the art at the time of the invention. It is unclear whether these are the same or three different processors. For

the purpose of comparison with the prior art, the Examiner is interpreting them to be the same processor.

10. Regarding claim 1, Applicant's recitation "being enforceable by a repository" would have been unclear to a person having ordinary skill in the art at the time of the invention. It would have been unclear what method steps and/or structures are required to accomplish this outcome of the usage right "being enforceable by a repository." Applicant gives no description in the specification of what structures and/or method steps are required to accomplish this outcome. For purposes of comparison with the prior art, the Examiner is interpreting "being enforceable by a digital repository" to require that the usage right be attached via watermark to a digital work and be specified using a rights language. This interpretation is consistent with how a person having ordinary skill in the art would have interpreted usage rights based on the references of record, particularly Stefik et al. (US Patent No. 5,634,012). Appropriate correction is required.

11. Regarding claim 1, Applicant's recitation "wherein access to the digital content is controlled by the repository through enforcement of the usage right assigned to the digital work" would have been unclear to a person having ordinary skill in the art at the time of the invention. It would have been unclear what method steps and/or structures are required to accomplish this outcome of the usage right "wherein access to the digital content is controlled by the repository through enforcement of the usage right assigned to the digital work." Applicant gives no description in the specification of what structures and/or method steps are required to accomplish this outcome.

12. Regarding claim 18, 22-37, and 40-54, 56, and 57, Applicant's recitations of "a processor" would have been unclear to a person having ordinary skill in the art at the time of the invention. It is unclear whether these are the same or different processors. If it is Applicant's intent that they be interpreted as the same processor, it is requested that Applicant refer to "the processor" after the initial introduction of "a processor." If it is Applicant's intention that they be interpreted as different processors, it is requested that Applicant refer to them as "a first processor," "a second processor," etc.

13. Regarding claims 18, 22-37, and 40-54, 56, and 57, it is unclear whether various limitations in these claims invoke 35 U.S.C. 112, sixth paragraph. Applicant recites various processors modified by functional language. Because "means for" is not recited and in accordance with MPEP 2181 I., it is the Examiner's principle position that the claims do not invoke 35 U.S.C. 112, 6th paragraph. Based on this interpretation, it is the Examiner's further position that any three general purpose networked processors (such as any of those described in the prior art cited in the below §102 and §103 rejections) are capable of performing the recited functions and therefore read on the claims. However, it appears to be Applicant's intent that these functional recitations require more than general purpose networked processors. Because of this, it is recommended that Applicant do one of the following:

(a) Clearly invoke 35 U.S.C. 112, sixth paragraph by amending the claims to include the phrase "means for" or "step for" in accordance with the three prong analysis set forth in MPEP 2181 I.;

(b) Clearly not invoke 35 U.S.C. 112, sixth paragraph by amending the claims to recite that each of the processors is programmed to perform method steps corresponding to the aforementioned functional recitations (e.g., -- a processor ~~for specifying~~ programmed to specify a usage right -- or similar); or

(c) Expressly state on the record that the claims do not invoke 35 U.S.C. 112, 6th paragraph and request that the claims be interpreted with their broad functional language. Applicant is reminded that under this interpretation, the claims are anticipated or rendered obvious by three general purpose networked processors.

14. The Examiner finds that because particular claims are rejected as being indefinite under 35 U.S.C. §112, 2nd paragraph, it is impossible to properly construe claim scope at this time. See *Honeywell International Inc. v. ITC*, 68 USPQ2d 1023, 1030 (Fed. Cir. 2003) ("Because the claims are indefinite, the claims, by definition, cannot be construed."). However, in accordance with MPEP §2173.06 and the USPTO's policy of trying to advance prosecution by providing art rejections even though these claim are indefinite, the claims are construed and the art is applied *as much as practically possible*.

### ***Claim Rejections - 35 USC § 102***

15. The following is a quotation of the appropriate paragraphs of 35 U.S.C. § 102 that form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

16. Claims 1, 6, 8-18, 25, 27-37, 43, and 45-57, as understood by the Examiner, are rejected under 35 U.S.C. § 102(b) as being anticipated by Stefik et al. (U.S. Patent No. 5,638,443, hereafter "Stefik").

17. As per claims 1, 6, 8-18, 25, 27-35, 37, 43, 45-53, and 54-57 discloses a method/system/device for dynamically assigning usage rights ("Usage Rights," Fig. 1; "Right 1450," Fig. 14) to digital content ("Digital Work," Fig. 1) in a system having at least one repository ("Repository 1" or "Repository 2," Fig. 1) comprising:

a. specifying a usage right ("Usage Rights Attached To Digital Work and Deposited In Repository 1," Fig. 1), the usage right comprising computer readable data stored on a recording medium ("a storage means for storing a digital work and its attached usage," C4 L16-17), the data of the usage right (item 704 of Fig. 7, Figs. 10, 14 and 15 and associated text) specifying an authorized use ("Play," "Print," "Copy," "Transfer," "Loan," etc, C19 L30 - C20 L40) of digital content ("digital work," C5 L48-61, C19 L30 - C20 L40) and being enforceable by a repository ("The enforcement elements of the present invention are embodied in repositories," C6 L1-2);

b. determining a status of a dynamic condition ("Time 1455," C18 L24, "Reposity-2 notes the current time," C29 L8, "The clock is used to time-stamp various time based conditions for usage rights or for metering fees which may be associated with the digital works," C13 L63-66; and "copy count 1453," C18 L23, "The Copy-Count for a right is decremented each time that a right is exercised," C21 L6-9);

c. dynamically assigning the usage right to the digital content based on the status of the dynamic condition (The usage rights are assigned based on at least two dynamic conditions. First, time. "The current time is compared to the time received from repository-1, step 1711. The difference is then checked to see if it exceeds a predetermined tolerance (e.g. one minute), step 1712. If it does, repository-2 terminates the transaction, C29 L9-13, "If access is granted, repository 1 transmits the digital work to repository 2," C6 L42-44. This transmittal of the of the digital work from repository 1 to repository 2 requires that a new copy of the work is created, this new copy has new rights assigned to it, either the same as the previous copy's rights or according to the "Next-Set-Of-Rights" parameters of the original content. As this assignment of rights to the new copy would not occur if the times had not matched between the repositories, the assignment is based on time. "When the repository loans out a copy of the digital work, the usage rights in the loaner copy (called the next set of rights) could be set to prohibit any further rights to loan out the copy," C11 L2-5). Additionally, the copy right is governed by a variety of measured times, see C21 L32-47, and in this way rights assigned when a new copy of a digital work is created are based on time. Second, the assignment of rights to a copy of the digital work is based on the periodically changing dynamic condition "copy count 1453," C18 L23. The ability of a repository to create another copy and assign it rights is governed by the copy-count for the copy right. If this is zero, a copy cannot be created. If this is greater than zero, a copy can be created. In this

way, assigning rights to the copy is based on the dynamic usage condition, "copy count 1453");

d. wherein access to the digital content is controlled by the repository through enforcement of the usage right assigned to the digital work ("The enforcement elements of the present invention are embodied in repositories. Among other things, repositories are used to store digital works, control access to digital works, bill for access to digital works and maintain the security and integrity of the system." C6 L1-5);

e. usage rights such as fees ("a fee schedule so that copies made after the passage of time will require lower fees to be paid to the distributor," C45 L35-36, "rights whose fee depends on various conditions," C49 L31), distribution ("if it can be further distributed," C5 L57-58), number of times it can be used ("copy count 1453," C18 L23), and printing ("A right 1450 has a label (e.g. COPY or PRINT) which indicate the use or distribution privileges that are embodied by the right," C18 L11-14); and

f. wherein the digital content includes textual content; audio content, video content, and software ("Herein the terms 'digital work', 'work' and 'content' refer to any work that has been reduced to a digital representation. This would include any audio, video, text, or multimedia work and any accompanying interpreter (e.g. software) that may be required for recreating the work," C5 L 48-54).

***Claim Rejections - 35 USC § 103***

18. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

19. Claims 1, 3, 6-18, 22, 25-37, 40, 43-57, as understood by the Examiner, are rejected under 35 U.S.C. 103(a) as being unpatentable over Stefik in view of Grosh et al. (US Pat. No. 6,195,646, hereafter "Grosh").

20. As detailed in the above §102 rejection, it is the Examiner's principle position that Stefik discloses assigning usage rights based on a dynamic condition contemporaneously with distribution, and, therefore, anticipates claims 1, 6, 8-18, 25, 27-37, 43, and 45-57. This §103 rejection is an alternate rejection for these claims.[1] This is the sole prior art rejection and does not constitute an alternative rejection for claims 3, 7, 22, 26, 40, and 44.

21. If not inherent, then Stefik discloses the claimed invention as detailed above, except Stefik does not explicitly disclose assigning usage rights based on a dynamic condition contemporaneously with distribution. Grosh teaches a system/method/device for assigning usage rights ("price," Abstract) to digital content ("information product") based on the status of various dynamic conditions ("purchase conditons," C2 L61-67) including load on a computer system ("if the item is in DEMAND (box 24A), e.g., as

[1] See MPEP §2112 III expressly authorizing alternative §102/103 rejections when the question of inherency is present in the anticipation rejection.

dynamically ascertained by the number of website hits within a particular time period (hits/min>100), then the pricing unit value associated with the magazine may be increased by a multiplier or an additional cost to account for the increased demand and strain on system resources," C7 L61 - C8 L21) and time of day ("a 'normal' pricing model for an informational product (box 20A) may be defined and active on weekdays between 0800 and 1700, i.e., the seller's normal business hours, a 'nights' pricing model (box 20B) may be active after-hours on weekdays, a 'weekend' pricing model (box 20C) may be active on all other times, and a 'special' pricing model (box 20D) may be implemented at specific times, e.g., a sale or coupon offering between 1200 and 1300, or under other circumstances, e.g., within particular geographical areas," C6 L21-36) contemporaneously with distribution ("immediate DELIVERY," C9 L25-26). Grosh teaches the determination being conducted in both a periodic ("static (pre-execution)") and continuous ("dynamic (during execution)") manner (C4 L19-21). It would have been obvious to a person having ordinary skill in the art at the time of the invention to modify the system/device/method of Stefik to assign usage rights based on dynamic conditions contemporaneously with distribution as taught by Grosh, because this would achieve the predictable result of allowing the vendor to properly price digital content, and thereby facilitate sale of that product (C2 L53-55).

22. Regarding claims 3 and 22, although Grosh further discloses a usage right that specifies a resolution of the digital content that is authorized for use by the user ("the dimension QUALITY factor (box 26D) governs the quality of the images employed. For

photographic quality images, for example, a 200% surcharge is assessed and, for laser-quality images, a 100% surcharge. No surcharge is accessed for normal, screen-quality images," C11 L4-14). However, Grosh does disclose varying resolution with price ("Variations among these rates, resolutions and frames may be valued differently," C5 L5-6). Therefore, it would have been obvious to hold price constant and vary resolution instead of price based on the dynamic conditions (time and computer load) as discussed above. This would achieve the predictable result of reducing bandwidth requirements by reducing the amount of data transferred during high bandwidth utilization times of day.

23. Claims 4, 5, 23, 24, 41, and 42 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Stefik in view of Grosh and further in view of either Applicant-Admitted Prior Art (hereafter, "AAPA") or Cox et al. (U.S. Patent No. 5,930,369, hereafter "Cox").

24. As per claims 4, 5, 23, 24, 41, and 42, the combination Stefik/Grosh discloses all elements of the claimed invention as above. However, Stefik/Grosh fails to explicitly recite applying a sub-band decomposition algorithm to digital content to create sub-images and combining the sub-image into the determined content resolution. Cox teaches a method for watermarking audio, image, video or multimedia data by applying a sub-band decomposition algorithm (i.e. wavelet) (C12 L5-12; C14 L25-32, L42-50) and combining the sub-images into a processed image (C6 L27 - C7 L38, C12 L53-61). AAPA also teaches applying a wavelet decomposition algorithm to the digital content (see Applicant's specification at [0027]). Therefore, it would have been obvious to one

of ordinary skill to modify the method/system/device of Stefik/Grosh by including application of the wavelet decomposition algorithm of either AAPA or Cox in order to achieve an effective means of changing the resolution of digital content while retaining digital watermarks.

***Claim Interpretation***

25. Independent claims (1, 18, and 37) are examined together, since they are not patentably distinct. If Applicant expressly states on the record that two or more independent and distinct inventions are claimed in this application, the Examiner may require the Applicant to elect an invention to which the claims will be restricted.

26. To the extent that the Examiner's interpretations are in dispute with Applicant's interpretations, the Examiner hereby adopts the following definitions—under the broadest reasonable interpretation standard—in all his claim interpretations.[2] Moreover, while the following list is provided in accordance with *In re Morris*, the definitions are a guide to claim terminology since claim terms must be interpreted in context of the surrounding claim language.[3] Finally, the following list is not intended to be exhaustive in any way:

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[2] While most definitions are cited because these terms are found in the claims, the Examiner may have provided additional definition(s) to help interpret words, phrases, or concepts found in the definitions themselves or in the prior art.

[3] See e.g. *Brookhill-Wilk 1 LLC v. Intuitive Surgical Inc.*, 334 F.3d 1294, 1300, 67 USPQ2d 1132, 1137 (Fed. Cir. 2003) (abstract dictionary definitions are not alone determinative; "resort must always be made to the surrounding text of the claims in question").

27. ***Assign:*** "5. to transfer (one's right, interest, or title to property) to someone else."[4]

28. ***Dynamic:*** "2. Characterized by continuous change, activity, or progress: a dynamic market."[5]

29. ***Determine:*** "2. to find out or reach a conclusion about something by gathering facts, making measurements, etc."[6]

30. ***Specify:*** "1. to refer to or state specifically."[7]

## *Additional Findings of Fact*

31. "Digital works," "works," or "content" refer to any work that has been reduced to a digital representation. This includes audio, video, text, or multimedia works. Stefik C5, L48-51.

32. Content: The digital information (*i.e.* raw bits) representing a digital work. Stefik C50, L19-21.

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[4] assign. (2000). In *Collins English Dictionary*. London: Collins. Retrieved August 07, 2009, from http://www.credoreference.com/entry/hcengdict/assign.

[5] dynamic. (2007). In *The American Heritage® Dictionary of the English Language*. Boston, MA: Houghton Mifflin. Retrieved August 07, 2009, from http://www.credoreference.com/entry/hmdictenglang/dynamic.

[6] determine. (2001). In *Chambers 21st Century Dictionary*. London: Chambers Harrap. Retrieved August 07, 2009, from http://www.credoreference.com/entry/chambdict/determine.

[7] specify. (2000). In Collins English Dictionary. London: Collins. Retrieved August 07, 2009, from http://www.credoreference.com/entry/hcengdict/specify.

33. Digital Work (Work): Any encapsulated digital information. Such digital information may represent music, a magazine or book, or a multimedia composition. Usage rights and fees are attached to the digital work. Stefik C50, L42-46.

34. Usage Rights: A language for defining the manner in which a digital work may be used or distributed, as well as any conditions on which use or distribution is premised. Stefik C51, L40-43. The system uses statements in a high level ***'usage rights language'*** to define rights associated with digital works and their parts. Usage rights statements are interpreted by repositories and are used to determine what transactions can be successfully carried out for a digital work and also to determine parameters for those transactions. For example, sentences in the language determine whether a given digital work can be copied, when and how it can be used, and what fees (if any) are to be charged for that use. Stefik C17, L50-61.

35. The term “usage rights” or “rights” is a term which refers to rights granted to a recipient of a digital work. Stefik C5, L54-56.

36. Generally, these “rights” define how a digital work can be used and if it can be further distributed. Each usage right may have one *or more* specified conditions which must be satisfied before the right may be exercised. Stefik C5, L56-58.

37. Usage rights are permanently “attached" to the digital work. Copies made of a digital work will also have usage rights attached. Thus, the usage rights and any associated fees assigned by a creator and subsequent distributor will always remain with a digital work. Stefik C5, L62-67.

38. Rights are tracked within a computer file having rights portion **704** which contains a data structure, such as a look-up table, wherein the various information associated with the right is maintained. Stefik C9, L6-8.

39. A unique number assigned to the digital work upon creation. Stefik C9, L5-6.

**Specific Rights of Content**

40. ***Play*** A process of rendering or performing a digital work on some processor. This includes such things as playing digital movies, playing digital music, playing a video game, running a computer program, or displaying a document on a display. Stefik C19, L35-40.

41. This term "play" is natural for examples like playing music, playing a movie, or playing a video game. The general form of play means that a "player" is used to use the digital work. However, the term play covers all media and kinds of recordings. Thus one would "play" a digital work, meaning, to render it for reading, or play a computer program, meaning to execute it. Stefik C36, L14-21.

42. ***Print*** To render the work in a medium that is not further protected by usage rights, such as printing on paper. Stefik C19, L41-42.

43. A Print transaction is a request to obtain the contents of a work for the purpose of rendering them on a "printer." We use the term "printer" to include the common case of writing with ink on paper. However, the key aspect of "printing" in our use of the term is that it makes a copy of the digital work in a place outside of the protection of usage

rights. As with all rights, this may require particular authorization certificates. Stefik C36, L43-50.

**Repositories**

44. Repository: Conceptually a set of functional specifications defining core functionality in the support of usage rights. A repository is a trusted system in that it maintains physical, communications and behavioral integrity. Stefik C51, L14-18.

45. Repositories are used to store digital works, control access to digital works, bill for access to digital works and maintain the security and integrity of the system. Stefik C6, L2-5.

46. A unique number is assigned to the repository upon manufacture. Stefik C9, L3-5.

47. Repositories have a data storage system **1207**. Stefik C13, L53.

48. Server Mode: A mode of a repository where it is processing an incoming request to access a digital work. Stefik C51, L26-28.

**Time**

49. The terms “time” and “date” are used synonymously to refer to a moment in time. Stefik C21, L48-49.

50. A clock **1205** is used to time-stamp various time based conditions for usage rights. Stefik C13, L64-66.

51. In the usage rights language, time is specified in an hours:minutes:seconds (or hh:mm:ss) representation. Stefik C18, L50-52.

52. A "Sliding-Interval" or "Use-Duration" is used to define an indeterminate (or "open") start time. It sets limits on a continuous period of time over which the contents are accessible. The period starts on the first access and ends after the duration has passed or the expiration date is reached, whichever comes first. For example, if the right gives 10 hours of continuous access, the use-duration wound begin when the first access was made and end 10 hours later. Stefik C21, L62 to C22, L3.

53. A "meter time" is a measure of the time that the right is actually exercised. It differs from the Sliding-Interval specification in that the time that the digital work is in use need not be continuous. For example, if the rights guarantee three days of access, those days could be spread out over a month. Stefik C22, L4-10.

54. The Expiration-Date specifies the moment at which the usage right ends. For example, if the Expiration-Date is "Jan. 1, 1995," then the right ends at the first moment of 1995. Stefik C21, L51-54.

55. Both a "meter time" and "expiration date" can be enforced *at the same time*. For example, the rights can be exercised until the meter time is exhausted or the expiration date is reached, whichever comes first. Stefik C22, L10-13.

### ***Response to Arguments***

56. Applicant's arguments with respect to the §112, 2nd paragraph rejection of claim 1 due to the recitation "being enforceable by a repository" have been fully considered

but they are not persuasive. Applicant argues that the amendment "wherein access to the digital content is controlled by the repository through enforcement of the usage right assigned to the digital work" overcomes the rejection. However, this amendment only compounds the lack of clarity (see above §112, 2nd paragraph rejection). Therefore, this §112, 2nd paragraph rejection of the previous Office action is maintained.

57. Applicant's arguments with respect to the §102 and §103 rejections of the claims have been fully considered but they are not persuasive. See the above rejection for a detailed mapping of the previously applied prior art to the newly added limitation.

58. Regarding the claim interpretation, Applicant objects the use of dictionary definitions of various terms. Regarding the term "assign," Applicant asserts that this term is defined in the specification as "The usage rights can be assigned in any known manner, such as through techniques disclosed in the patents cited above and incorporated by reference." However, this does not constitute a lexicographic definition of the word "assign," as it lacks the clarity, deliberateness, and precision required for such a definition. Regarding the remaining terms, Applicant presents no substantive argument, and, therefore, the dictionary definitions are maintained.

## ***Conclusion***

59. Applicant's amendment filed February 25, 2010 necessitated the new grounds of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

60. A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

61. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure:

a. Sugiarto et al. (2002/0143952) disclose a multimedia download timer system/method where a usage right that is a price ("price," [0007]) varies based on a dynamic condition that is the time of day ("the timer system allows a customer to select a time for downloading a content file at a time of the day when bandwidth usage and demand are most likely to be low, e.g., from 1 AM to 6 AM, and receive a discounted purchase price or coupon," [0007]);

b. Farhat et al. (2001/0034704) disclose assigning digital content ("content," [0036]) usage rights including price based on computer load ("amount of service access usage," [0087]) and time of day ("time of day," [0091]);

c. Alvin (7,139,731) discloses a website selling products wherein the product prices vary based on dynamic conditions including time of day and computer load (C7 L2-4);

d. Seki et al. (2002/0004751) disclose assigning usage rights including price to digital content based on the status of a dynamic condition that includes a computer load ("access count," [0026]);

e. Eiba (5,209,476) discloses assigning usage rights including price based on dynamic conditions including time of day (C1 L40-47), Eiba further discloses continuous and periodic determination of the status of a dynamic condition (C3 L11-20);

f. Corley et al. (7,103,668) disclose assigning usage rights including resolution ("frame rate") to digital content based on the status of a dynamic condition that includes a computer load ("traffic," C11 L63 - C12 L9);

g. Moshfeghi et al. (6,076,166) disclose assigning usage rights including resolution to digital content based on the status of dynamic conditions that include computer load ("server 12 personalizes image size (full resolution or minified) and transmission compression (none, lossless, lossy/quality) to the link bandwidth and the capabilities of client equipment 14, so that the user need not wait for large transfers at locations with low speed connections. This applies to video and sound files," C5 L65 - C6 L8) in order to reduce server load (Abstract).;

62. Because this application is now final, Applicant is reminded of the USPTO's after final practice as discussed in MPEP §714.12 and §714.13 and that entry of amendments after final is *not* a matter of right. "The refusal of an examiner to enter an amendment after final rejection of claims is a matter of discretion." *In re Berger*, 279 F.3d 975, 984, 61 USPQ2d 1523, 1529 (Fed. Cir. 2002) (citations omitted).

Furthermore, suggestions or examples of claim language provided by the Examiner are just that--suggestions or examples--and do not constitute a formal requirement mandated by the Examiner. Unless stated otherwise by an express indication that a claim is "allowed," exemplary claim language provided by the Examiner to overcome a particular rejection or to change claim interpretation has *not* been addressed with respect to other aspects of patentability (e.g. §101 patentable subject matter, §112 1st paragraph written description and enablement, §112 2nd paragraph indefiniteness, and §102 and §103 prior art). Therefore, any claim amendment submitted under 37 C.F.R. §1.116 that incorporates an Examiner suggestion or example or simply changes claim interpretation will nevertheless require further consideration and/or search and a patentability determination as noted above.

63. Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Jamie Kucab whose telephone number is 571-270-3025. The Examiner can normally be reached on Monday-Friday 9:30am-6:00pm EST.

64. If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Andrew Fischer can be reached on 571-272-6779. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

65. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://portal.uspto.gov/external/portal.

Should you have questions on access to the Private PAIR system, contact the

Electronic Business Center (EBC) at 866-217-9197 (toll-free).

JK

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